
CORNERSTONE INVESTORS

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a “**Cornerstone Investment Agreement**”, and together the “**Cornerstone Investment Agreements**”) with the cornerstone investors set out below (each a “**Cornerstone Investor**”, and together the “**Cornerstone Investors**”), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe at the Offer Price for a certain number of Offer Shares that may be purchased for an aggregate amount of US\$110.0 million (approximately HK\$852.1 million) (calculated based on the conversion rate of US\$1.00 to HK\$7.7464) (the “**Cornerstone Placing**”).

Assuming an Offer Price of HK\$18.40, being the low-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 46,307,500 Offer Shares, representing approximately (i) 21.0% of the Offer Shares (assuming that the Over-allotment Option is not exercised), (ii) 3.2% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised); and (iii) 3.1% of our total issued share capital immediately upon completion of the Global Offering and the full exercise of the Over-allotment Option.

Assuming an Offer Price of HK\$19.50, being the mid-point of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 43,695,500 Offer Shares, representing approximately (i) 19.9% of the Offer Shares (assuming that the Over-allotment Option is not exercised), (ii) 3.0% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised); and (iii) 2.9% of our total issued share capital immediately upon completion of the Global Offering and the full exercise of the Over-allotment Option.

Assuming an Offer Price of HK\$20.60, being the high-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 41,363,000 Offer Shares, representing approximately (i) 18.8% of the Offer Shares (assuming that the Over-allotment Option is not exercised), (ii) 2.8% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised); and (iii) 2.8% of our total issued share capital immediately upon completion of the Global Offering and the full exercise of the Over-allotment Option.

Our Company is of the view that, leveraging on the Cornerstone Investors’ investment experience, in particular in the life sciences and healthcare sectors, the Cornerstone Placing will help to raise the profile of our Company and to signify that such investors have confidence in our business and prospect.

To the best knowledge of our Company, (i) each of the Cornerstone Investors is an Independent Third Party and is not our connected person (as defined in the Listing Rules); (ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, the Directors, chief executive, Controlling Shareholders, substantial shareholders, existing Shareholders or any of its subsidiaries or their respective close associates; (iii) none of the subscription of the relevant Offer Shares by any of the Cornerstone Investors is financed by our Company, the Directors, chief executive, Controlling Shareholder, substantial shareholders, existing Shareholders or any of its subsidiaries or their respective close associates.

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The Cornerstone Placing will form part of the International Offering and the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respect with the fully paid Shares in issue and will count towards the public float of our Company under Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, none of the Cornerstone Investors will become a substantial shareholder of the Company, and the Cornerstone Investors will not have any Board representation in our Company. Other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders. As confirmed by each of the Cornerstone Investors, their subscription under the Cornerstone Placing would be financed by their own internal resources. There are no side arrangements between our Company and the Cornerstone Investors or any benefit, direct or indirect, conferred on the Cornerstone Investors by virtue of or in relation to the Cornerstone Placing, other than a guaranteed allocation of the relevant Offer Shares at the final Offer Price.

The total number of Offer Shares to be subscribed by the Cornerstone Investors may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering as described in the paragraph headed “Structure of the Global Offering—The Hong Kong Public Offering—Reallocation” in this prospectus.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around July 7, 2020. If there is over-allocation in the International Offering, the settlement of such over-allocation may be effected through delayed delivery of the Offer Shares to be subscribed by certain Cornerstone Investors under the Cornerstone Placing. Where delayed delivery takes place, each Cornerstone Investor that may be affected by such delayed delivery has agreed that it shall nevertheless pay for the relevant Offer Shares on the Listing Date. If there is no over-allocation in the International Offering, delayed delivery will not take place. For details of the Over-allotment Option, please refer to the paragraph headed “Structure of the Global Offering—Over-allotment Option” in this prospectus.

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OUR CORNERSTONE INVESTORS

Set out below in the aggregate number of Offer Shares, and the corresponding percentages to the Offer Shares and our Company's total issued share capital under the Cornerstone Placing:

Based on the Offer Price of:	Investment Amount (US\$ in million) ¹	Number of Offer Shares (rounded down to nearest whole board lot of 500 H Shares)	Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment option is exercised in full	
			Percentage to our total issued share capital immediately upon completion of the Global Offering (approximate)	Percentage to the total number of Offer Shares (approximate)	Percentage to our total issued share capital immediately upon completion of the Global Offering (approximate)	Percentage to the total number of Offer Shares (approximate)
HK\$18.40 (being the low-end of the indicative Offer Price range)						
OrbiMed Funds	50.0	21,049,500	1.43%	9.56%	1.40%	8.32%
AVICT	30.0	12,629,500	0.86%	5.74%	0.84%	4.99%
Ovata Capital	15.0	6,314,500	0.43%	2.87%	0.42%	2.49%
3W	10.0	4,209,500	0.29%	1.91%	0.28%	1.66%
Anlan Funds	5.0	2,104,500	0.14%	0.96%	0.14%	0.83%
HK\$19.50 (being the mid-point of the indicative Offer Price range)						
OrbiMed Funds	50.0	19,862,000	1.35%	9.02%	1.32%	7.85%
AVICT	30.0	11,917,000	0.81%	5.41%	0.79%	4.71%
Ovata Capital	15.0	5,958,500	0.41%	2.71%	0.40%	2.35%
3W	10.0	3,972,000	0.27%	1.80%	0.26%	1.57%
Anlan Funds	5.0	1,986,000	0.14%	0.90%	0.13%	0.78%
HK\$20.60 (being the high-end of the indicative Offer Price range)						
OrbiMed Funds	50.0	18,801,500	1.28%	8.54%	1.25%	7.43%
AVICT	30.0	11,281,000	0.77%	5.13%	0.75%	4.46%
Ovata Capital	15.0	5,640,500	0.38%	2.56%	0.38%	2.23%
3W	10.0	3,760,000	0.26%	1.71%	0.25%	1.49%
Anlan Funds	5.0	1,880,000	0.13%	0.85%	0.13%	0.74%

Note:

1. To be converted to Hong Kong dollars based on exchange rate as disclosed in this prospectus.

The following information about the Cornerstone Investors was provided to our Company by the Cornerstone Investors in relation to the Cornerstone Placing.

1. OrbiMed Funds

OrbiMed Partners Master Fund Limited (“OPM”) is an exempted company limited by shares incorporated under the laws of Bermuda. Worldwide Healthcare Trust PLC (“WWH”) is a publicly listed trust organized under the laws of England. OrbiMed Capital LLC is the investment advisor for OPM and the portfolio manager of WWH. OrbiMed Genesis Master Fund, L.P. (“Genesis”), OrbiMed New Horizons Master Fund, L.P. (“ONH”) and OrbiMed Global Healthcare Master Fund, L.P. (“OGH”, together with OPM, WWH, Genesis and ONH, the “OrbiMed Funds”) are each exempted limited partnerships incorporated under the laws of the Cayman Islands with OrbiMed Advisors LLC acting as the investment manager. OrbiMed Capital LLC and OrbiMed Advisors LLC exercise voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and Jonathan T. Silverstein. WWH is listed on the London Stock Exchange (LON: WWH). The approval of the London Stock Exchange is not required for WWH's subscription for the Offer Shares pursuant to the relevant cornerstone investment agreement.

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In addition to the closing conditions set out in “—Closing Conditions”, the subscription obligation of the OrbiMed Funds is subject to the respective representations, warranties, acknowledgements, undertakings and confirmations of the Company being accurate and true in all material respects and not misleading and there being no material breach of the Cornerstone Investment Agreement on the part of the Company. Further, the OrbiMed Funds are entitled to terminate the Cornerstone Investment Agreement in the event that there is a material breach of the Cornerstone Investment Agreement by the Company.

2. AVICT

AVICT Global Holdings Limited (“**AVICT**”) is a company incorporated in the British Virgin Islands. It is wholly owned by Hangyuan Holdings Limited, an asset management company set up by AVIC Trust Co., Ltd. (中航信托股份有限公司). AVICT is under effective control of Shenzhen Putai Investment Development Limited. AVICT is primarily engaged in equity investment and is primarily focused on the healthcare sector. AVICT has invested in a number of biotech and healthcare companies, including Shanghai Henlius Biotech, Inc., Ocumension Therapeutics and Hua Medicine, among others.

3. Ovata Capital

Ovata Capital Management Limited (“**Ovata Capital**”) is incorporated in Hong Kong and licensed by the SFC to carry on type 9 (asset management) regulated activity. Ovata Capital is the sole investment manager to Ovata Equity Strategies Master Fund and Ovata Jade Fund. Founded in 2017 by Mr. James Chen, Ovata Capital, together with its affiliates, have offices in Hong Kong and Jersey, Channel Islands. Ovata Capital manages multi-strategy equity market neutral strategies for institutional investors globally.

4. 3W

3W Fund Management Limited (“**3W**”) is incorporated in Hong Kong with limited liability and licensed by the SFC to carry on type 9 (asset management) regulated activity. 3W has agreed to procure certain investors, namely 3W Greater China Focus Fund and 3W Global Fund, that 3W has discretionary investment management power over, to subscribe for such number of the Offer Shares. 3W Greater China Focus Fund and 3W Global Fund pursue to maximize absolute return and seek long-term capital growth primarily through fundamental investment principle with value approach.

5. Anlan Funds

Anlan Private Equity Fund, SPC—Anlan Panakeia Bio Fund, SP and Anlan Private Equity Fund, SPC—Anlan Harmonia Fund, SP are both sub funds of Anlan Private Equity Fund, SPC (collectively, the “**Anlan Funds**”), which is a segregated portfolio company incorporated in the Cayman Islands in August 2018. Since its incorporation, Anlan Fund is dedicated to a wide range of alternative investments including private equity, secondary market, fixed income, real estate and fund of funds. In private equity and secondary market, Anlan Fund mainly focuses on life sciences and healthcare, TMT, consumer and property management.

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CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

- (i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;
- (ii) the Offer Price having been agreed upon between the Company and the Joint Global Coordinators (on behalf of the underwriters of the Global Offering);
- (iii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the H Shares (including the H Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;
- (iv) no relevant laws or regulations shall have been enacted or promulgated by any governmental authority which prohibits the consummation of the transactions contemplated in the Global Offering or the Cornerstone Investment Agreement, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and
- (v) the representations, warranties, acknowledgments, undertakings and confirmations of the relevant Cornerstone Investor under the Cornerstone Investment Agreement are and will be accurate and true in all respects and not misleading and that there is no material breach of the Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from and including the Listing Date (the “**Lock-up Period**”), dispose of any of the Offer Shares they have purchased pursuant to the relevant Cornerstone Investment Agreements, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.